

BUSINESS & LABOR

EXHIBIT NO. 11
DATE 2-13-09
BILL NO. SB 397

MONTANA FINANCIAL SERVICE

CENTERS ASSOCIATION

FACTS ABOUT

DEFERRED DEPOSIT AND

SENATE 397

How does the cost of a deferred deposit loan compare to the common alternatives?

CREDIT ALTERNATIVE	\$100 DEFERRED DEPOSIT LOAN	\$100 OVERDRAFT BANK FEE	CREDIT CARD LATE FEE ON \$100 BILL	LATE/DISCONNECT FEE ON \$100 UTILITY BILL	\$100 BOUNCED CHECK NSF/MERCHANT
Fee	\$15.00	\$28.95	\$37.00	\$46.16	\$55.59
APR	391%	755%	965%	1203%	1449%

Sources: Avg. NSF fee \$28.95 (Bankrate.com, Fall 2008); Avg. merchant returned check fee \$26.64 (2006 CFSA fee survey); Avg. utility late and reconnect fee (2006 CFSA fee survey); Avg. credit card late fee (Credit Cards: Increased Complexity in Rates and Fees, Government Accountability Office, 2006); Avg. overdraft protection fee (Bankrate.com 2008); Typical payday advance fee (CFSA).

Customers have alternatives to deferred deposit loans but choose a deferred deposit loan because it is more economical than the alternatives.

How would Senate Bill 397 affect consumers and the Montana economy if it were to pass?

- Hundreds of jobs would be eliminated across the state due to business closures. Many of the jobs eliminated provide health benefits, dental benefits and retirement plans.
- Thousands of consumers would lose the option of obtaining a deferred deposit loan to help in a time of need and consequently would be driven to use more costly alternatives such as overdraft protection, bounced check fees, late fees and possibly unregulated out-of-state or off-shore internet lenders. Ultimately consumers are hurt rather than protected.
- Senate Bill 397 eliminates less expensive deferred deposit loans as an alternative to responsible consumers, because of the abuse of this credit product by a small number of borrowers.

What laws and rules are currently in place for regulating lenders in the State of Montana?

- The maximum loan amount is \$300
- Loans cannot be refinanced or rolled over
- If a check is returned, there is no on going interest calculation
- The maximum fee allowed is 25 percent of the loan amount
- Consumers have the right to rescind (cancel) the loan at no charge to them, by 5 PM the business day following the loan
- A criminal background check must be performed on every employee working at a lenders office
- Complete disclosures on terms, fees and APR's must be disclosed clearly and completely in accordance with Federal regulation Z
- Every office is examined by the Division of Banking on an annual basis to ensure complete compliance with all laws and regulations
- A brochure is given to every customer with cautions and recommendations regarding obtaining a loan. Also included is a phone number for the Montana Division of Banking and Financial Institutions.

Senate Bill 397 would hurt Montana consumers, small business, and the economy.

Please Vote No on Senate Bill 397.

DEFERRED DEPOSIT LOANS & E Z MONEY CLIENTS

In 1999 the Montana Legislature enacted regulations governing delayed deposit checks in the State of Montana now known as "THE MONTANA DEFERRED DEPOSIT LOAN ACT." The ACT is intended to protect both lenders and borrowers who enter into short term, high rate loans from abuses that occur in the credit market place. Montana consumers should be aware of the rights and responsibilities of both the lender and the borrower when engaging in deferred deposit lending transactions.

To protect yourself, follow these guidelines:

1. Contact the Division of Banking and Financial Institutions of the Department of Administration at (406) 841-2920 to determine if the lender is licensed by the Department.
2. Review the written agreement between the lender and you to make sure that the following information is included:
 - a. the name, address and phone number of both the lender making the deferred deposit loan and the borrower, the signature, initial or other written means of identifying the individuals who sign the agreement on behalf of both parties;
 - b. an itemization of the fees and interest charges to be paid by the borrower;
 - c. a clear description of the borrower's payment obligations under the loan;
 - d. a statement in at least 14 point bold type face preceding the signature of the borrower that reads "you cannot be prosecuted in criminal court for collection of this loan"; and
 - e. a statement allowing for rescission of the agreement through 5:00 p.m. the first business day after execution.

A lender may not charge any interest or fees other than those authorized by law.

1. A lender may not charge a fee for each deferred deposit loan entered into with a consumer that exceeds 25% of the principal amount of the loan.
2. If there are insufficient funds to pay a check on the date of the presentment, a lender may charge one fee of \$30.00. This is the lenders exclusive charge for late payment, even if the check is returned more than once.
3. Third party collection agencies are not regulated by this ACT. Any fees or collection cost assessed by such agency, or awarded by a court proceeding to such agency will be over and above fees collected by Licensee.

A lender cannot:

1. Engage in deferred deposit lending unless the Division has first issued a valid license.
2. Threaten to use or use a criminal process to collect on a loan made to a consumer in this state or any civil process to collect payment of deferred deposit loans not generally available to creditors to collect on loans in default.
3. Alter the date or any other information on a check or electronic authorization received from a borrower.
4. Charge or collect more fees, charges or interest than those allowed by Montana Law.
5. Engage in unfair, deceptive or fraudulent practices in the making or collecting of a deferred deposit loan.
6. Engage in other acts that are prohibited under Montana's Deferred Deposit Loan Act.
7. Extend, renew, or roll over a deferred deposit loan with the proceeds of another deferred deposit loan.
8. Enter into a deferred deposit loan with anyone who has a loan outstanding with another lender.
9. Enter into a deferred deposit loan until income is verified with a current payroll statement or other official income document.

A lender can:

1. Set their own lending requirements.
2. Refuse service to any consumer who does not meet lending requirements.
3. Pursue all civil remedies available to creditors to collect on loans in default, including attorney's fees, in who's favor a final judgment is rendered.
4. Require mandatory arbitration to resolve all disputes between lender and borrower.

Always ask to review and understand the written loan agreement before you sign it.

DEFERRED DEPOSIT LOAN AGREEMENT
L.O.I. Inc. d/b/a EZ MONEY CHECK CASHING
2499 KING AVE. WEST
BILLINGS, MT 59102
(406) 652-9199

I. This Deferred Deposit Loan Agreement (Agreement) is entered into between L.O.I. Inc. d/b/a EZ MONEY CHECK CASHING the Lender, whose address is 2499 KING AVE. WEST BILLINGS, MT 59102 and the Borrower, whose name is, BERNIE HARRINGTON and whose address and phone number are 4032 PALISADES PARK DR, BILLINGS, MT 59106, (406)6566556

II. **Borrower's Promised Consideration**

In exchange for a loan of money from Lender, Borrower agrees to the following.

First Borrower agrees to repay the loan in no more than 31 days from the date of this Agreement.

Second Borrower agrees to do this by providing Lender a check, made payable to Lender, in the amount of 100% of the borrowed amount plus the loan fee.

Third Borrower agrees that the total amount due is payable at 9:00 A.M. on the 22 day of FEBRUARY, 2009 [the maturity date]. On the maturity date, Lender may present the check for payment. The Lender shall not present the check for payment until the maturity date.

Fourth Borrower agrees to date the check within three calendar days of Borrower's pay date.

Fifth Borrower shall possess the following for six months before entering into a deferred deposit loan, an open checking account, a working home phone, and a verifiable income stream.

III. **Lender's Promised Consideration.**

The lender agrees to the following.

First to provide Borrower \$ 98.64, the principal amount of the loan.

Second that the loan fee charged will not exceed 25% of the face amount of the deferred deposit loan paid Borrower. The APR and loan fee (Finance Charge) on this transaction are as follows:

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	AMOUNT FINANCED	TOTAL OF PAYMENTS	TOTAL SALES PRICE
The cost of your credit as a yearly rate	The dollar amount the credit will cost you	The amount of credit provided to you or on your behalf	The amount you will have paid after you have made all payments as scheduled	The total cost of your purchase on credit, including your down payment of \$ 0.00
35.95 %	\$ 1.36	\$ 98.64	\$ 100.00	\$ 100.00

Third that the Lender will not present the check for payment until the agreed upon maturity date.

Fourth if on the date the check is presented to be cashed, there are not sufficient funds to cover the check, Lender may charge a one time only insufficient funds fee of \$30.00 on this item even if it has been returned more than once.

Fifth In the event that the Borrower's check is not honored by Borrower's bank and no payment is made to Lender, Lender may forward the check for recovery by a third party collection agency. Third party collection agencies are not subject to the Montana Deferred Deposit Loan Act. Third party collection agencies have the ability to collect the face amount of the dishonored check plus fee's awarded them by any court of competent jurisdiction.

Other considerations.

IV. **Attorney's Fees and Costs Provision.**

Reasonable attorney's fees and costs may be awarded to the party in whose favor a final judgement is rendered.

V. **Deferred Deposit Loan Limits**

The amount of any deferred deposit loan, not including the allowed fee, may not exceed \$300.00. The minimum amount of a deferred deposit loan is \$50.00. Checks written by borrowers must be made payable to the licensed lender. The licensed lender must provide each borrower with a copy of this Agreement

VI. **Right of Rescission**

Borrower may rescind this loan, without cost, at any time prior to the close of business on the business day immediately following the date of the loan by paying the AMOUNT FINANCED to Lender in cash or certified funds.

DATED this 8 day of FEBRUARY, 2009 Lender's Representative's Initials _____

Lender will exercise all civil remedies available to creditors to collect on loans in default. A borrower cannot be prosecuted in criminal court for collection of a deferred deposit loan.

Borrower's Signature _____

I have received, read and understand the Montana Deferred Deposit Loan Information pamphlet and a completed copy of this Agreement. Borrower's Initials: _____

This Agreement comprises the entire agreement between the parties and no statements or promises made by either party which are not contained in this Agreement shall be valid and binding.

Arbitration Agreement

All disputes, claims or controversies between the parties to this Agreement, including all disputes, claims or controversies arising from or relating to this Agreement, no matter by whom or against whom, including the validity of this Agreement and the obligations and scope of this arbitration clause, shall be resolved by binding arbitration by one arbitrator by and under the Code of Procedure of the National Arbitration Forum. This arbitration agreement is made pursuant to a transaction in interstate commerce, and shall be governed by the Federal Arbitration Act at 9 U.S.C. Section 1. The parties agree and understand that they choose arbitration instead of litigation to resolve disputes. The parties understand that they have a right or opportunity to litigate disputes through a court, but that they prefer to resolve their disputes through arbitration, except as provided herein.

THE PARTIES WOULD HAVE HAD A RIGHT OR OPPORTUNITY TO LITIGATE DISPUTES THROUGH A COURT BUT HAVE AGREED TO RESOLVE DISPUTES THROUGH BINDING ARBITRATION, EXCEPT THAT THE LENDER MAY CHOOSE AT LENDER'S SOLE OPTION TO SEEK COLLECTION OF PAYMENT(S) DUE IN COURT RATHER THAN THROUGH ARBITRATION. THE PARTIES VOLUNTARILY AND KNOWINGLY WAIVE ANY RIGHT THEY HAVE TO A JURY TRIAL EITHER PURSUANT TO ARBITRATION UNDER THIS CLAUSE OR PURSUANT TO A COURT ACTION BY LENDER. The parties agree and understand that all disputes arising under case law, statutory law, and all other laws, including, but not limited to, all contract, tort, and property disputes will be subject to binding arbitration in accord with this contract.

By signing and sealing below, you agree to all of the terms of this Agreement, including the agreement to arbitrate disputes.

I have had an opportunity to read this Agreement in full. I accept all of its terms and conditions, including the obligation to arbitrate set forth above.

Borrower's Signature _____

NOTICE

**STATE LAW PROHIBITS YOU FROM HAVING MORE THAN ONE PAYDAY
LOAN AT ANY ONE TIME. FAILURE TO OBEY THIS LAW COULD
CREATE A SEVERE FINANCIAL HARDSHIP FOR YOU AND YOUR FAMILY.**

YOU MUST SIGN THE FOLLOWING STATEMENT:

**I HEREBY SWEAR (OR AFFIRM) THAT I DO NOT HAVE ANOTHER PAYDAY LOAN
OUTSTANDING AT THIS TIME.**

Borrower Signature

Date

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Checking Account Advance

Get cash fast when you need it most.

When an unexpected expense occurs, you can get cash fast from U.S. Bank. With Checking Account Advance, eligible¹ checking account customers with direct deposit can advance funds from their next deposit. If you are eligible, **no application or approval process** is necessary!

Here are the key features of Checking Account Advance:

- Advance amount is deposited directly into your checking account and available for your immediate use
- You pay just \$1.00 for every \$10.00 advanced (minimum advance amount is \$20.00²)
- Advance limit is equal to \$500³ or 1/2 your total monthly direct deposit amount, whichever is less
- Outstanding advances are automatically paid with your next direct deposit of \$100 or more

How do I start using Checking Account Advance?

It's easy! You can access your funds seven days a week, 24-hours a day by:

- **Online** - [Login to U.S. Bank Internet Banking](#) and choose the **Cash Advance** link in the left menu. If you don't currently use Internet Banking, [enroll now](#).
- **ATM**⁴ - select 'Cash Withdrawals or Advances', then 'Advance to Checking Account'
- **Phone** - call 1.800.USBANKS (1.800.872.2657)
- **Branch** - visit a teller or personal banker

[Locate a U.S. Bank Branch or ATM](#)

[Terms and Conditions](#)

¹ You are eligible if you have been a customer for at least 6 months, have regular monthly direct deposits of \$100 or more and your checking account is in good standing.

² If your checking account is overdrawn, your minimum advance amount must bring your account to a \$0 balance.

³ The following states have different maximum advance amounts: AR --\$400, MN--\$360, CA and MT--\$300.

⁴ Available at most U.S. Bank ATMs.

Member FDIC

[REDACTED] Bank
 [REDACTED]
 Billings MT 59105-0850

000 00043 01
 ACCOUNT: [REDACTED]

PAGE: 1
 02/21/2007

TELEPHONE: 406-[REDACTED]

*****AUTO**ALL FOR AADC 590
 2473 0.6930 AB 0.317 12 2 50
 MARGARET [REDACTED]
 [REDACTED]

45
 2
 25

Put cash in your piggy bank. Sign up for a VISA Credit Card today!
 Low rate, rewards for purchases, great savings on balance transfers.

Free Checking ACCOUNT 4 [REDACTED]

LAST STATEMENT 01/19/07 335.64-
 2 CREDITS 2,677.00
 40 DEBITS 2,614.64
 THIS STATEMENT 02/21/07 273.28-

DEPOSITS
 REF #.....DATE.....AMOUNT REF #.....DATE.....AMOUNT REF #.....DATE.....AMOUNT
 01/24 524.00 02/09 2,153.00

CHECKS

CHECK #..DATE.....AMOUNT	CHECK #..DATE.....AMOUNT	CHECK #..DATE.....AMOUNT
1599*01/29 40.00	1660 02/12 200.00	1672 02/12 50.00
1651 01/31 51.00	1661 02/12 200.00	1673 02/12 50.00
1652 01/24 100.00	1662 02/12 200.00	1674 02/12 50.00
1653*01/25 6.66	1663*02/09 52.69	1675*02/12 100.00
1655 01/25 33.47	1667 02/12 25.00	1684 02/21 100.00
1656 01/31 40.00	1668 02/12 25.00	1685*02/21 25.00
1657 01/31 10.00	1669 02/12 25.00	1687 02/21 25.00
1658 01/31 37.03	1670 02/12 50.00	
1659 02/12 200.00	1671 02/12 50.00	

25 Checks

(*) INDICATES A GAP IN CHECK NUMBER SEQUENCE

OTHER DEBITS

DESCRIPTION	DATE	AMOUNT
ATM TRANSACTION FEE	01/25	1.00
2945-1432 MAIN ST	01/25	82.00
Overdraft Charge	01/26	52.00
Kum and Go #0828 CHECKPAYMT 01654 BILLMT	01/26	68.30
Overdraft Charge	01/29	26.00

* * * CONTINUED * * *

[REDACTED] Bank
 [REDACTED]
 Billings MT 59105-0850

000 00043 01
 ACCOUNT: 4 [REDACTED]

PAGE: 2
 02/21/2007

TELEPHONE: 406-[REDACTED]

MARGARET [REDACTED]

Free Checking ACCOUNT 4 [REDACTED] 1

OTHER DEBITS

DESCRIPTION	DATE	AMOUNT
Overdraft Charge	01/30	26.00
Continuous Overdraft Charge	01/31	24.00
Overdraft Charge	02/01	104.00
Continuous Overdraft Charge	02/07	24.00
NSF Return Charge	02/07	156.00
SUPERVALU (ALB) REDEPCHECK 1664	02/13	47.49
NSF Return Charge	02/14	156.00
NSF Return Charge	02/15	26.00
Continuous Overdraft Charge	02/20	24.00
NSF Return Charge	02/21	52.00

DAILY BALANCE

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
01/24	88.36	01/31	409.10-	02/13	134.72
01/25	34.77-	02/01	513.10-	02/14	21.28-
01/26	155.07-	02/07	693.10-	02/15	47.28-
01/29	221.07-	02/09	1,407.21	02/20	71.28-
01/30	247.07-	02/12	182.21	02/21	273.28-

671.00 overdraft fees.

First-of-its-kind FDIC Study Looks at Fees and Customer Usage of Bank Overdraft Programs

FDIC Study of Bank Overdraft Programs analyzes the types, characteristics and use of overdraft programs offered by FDIC-supervised banks. The study looks at these programs, their features, the fees imposed, and consumer usage patterns, including the characteristics of customer accounts that tend to incur the highest volume of overdraft fees.

Full results of the study available at <http://www.fdic.gov/bank/analytical/overdraft/>.

Noted in the analysis of micro-level data from 39 banks:

➤ **Overdraft fees have APRs ranging from 1067% to 3520%**

"Assuming a \$27 overdraft fee (the survey median), a customer repaying a \$20 POS/debit overdraft in two weeks would incur an APR of 3,520%; a customer repaying a \$60 ATM overdraft in two weeks would incur an APR of 1,173%; and a customer repaying a \$66 check overdraft in two weeks would incur an APR of 1,067%... rapid repayment of the overdraft amount results in higher APRs, and slower repayment results in lower APRs."

➤ **Banks operating automated overdraft programs reported a median transaction of \$36**

"The median dollar amount of all 22.5 million transactions processed by the [28] micro-data banks with automated overdraft programs was \$36. POS/debit NSF transactions were not only the most frequent, but also the smallest, with a median dollar value of \$20. The median transaction size of an ATM withdrawal and a check that resulted in an NSF transaction were \$60 and \$66, respectively."

"Almost half (48.8%) of all reported NSF transactions took place at POS/debit (41%) and ATM (7.85) terminals. Checks accounted for 30.2% of the reported NSF transactions."

➤ **Customers with 5 or more NSF transactions accrued 93.4% of the total NSF fees reported**

"Customers with 5 or more NSF transactions accrued 93.4% of the total NSF fees reported for the 12-month period. Customers with 10 or more NSF transactions accrued 84% of the reported fees. Customer accounts with 20 or more NSF transactions accrued over 68% of the reported fees."

"Almost 12% of consumer accounts had 1 to 4 NSF transactions, 5% had 5 to 9 NSF transactions, 4% had 10 to 19 NSF transactions, and 4.9% had 20 or more NSF transactions. Almost 9% of consumer accounts of banks reporting data had at least 10 NSF transactions during the 12-month period of analysis."

Customers with 1 to 4 NSF transactions were charged \$64 per year in NSF fees; Customers with 5 to 9 NSF transactions were charged \$215 per year in NSF fee; Customers with 10 to 19 NSF transactions were charged \$451 per year in NSF fees; Customers with 20 or more NSF transactions were charged \$1,610 per year in NSF fees.

➤ **Young adults paid the most in overdraft fees; responsible for the most NSF transactions**

"Accounts held by young adults (ages 18 to 25) were the most likely among all age groups to have automated overdraft NSF activity...46.4% incurred NSF activity, compared with 12.2% of accounts held by seniors (over age 62) and 31.9% of accounts held by other adults. Nearly 15% of accounts held by young adults recorded more than ten NSF transactions during the year, compared with 12.1% of adult accounts and 3% of senior accounts. Most NSF transactions made by young adult accounts (61.7%) originated at a POS/debit terminal."

Highlights prepared by:



➤ **Customers in low-income areas were more likely to pay recurrent overdraft charges**

"Accounts held by customers in low-income areas (in some areas, median annual income of less than \$30,000) were more likely than accounts in higher-income areas to incur overdraft charges...More than 38% of low-income accounts had at least one NSF transaction, compared with 22% of upper-income accounts."

"Recurrent overdrafts were also more likely the lower the income group. Among low-income customers, 16.7% of accounts had 1 to 4 NSF transactions, and 7.5% had 20 or more NSF transactions. By comparison, 13.9% of accounts held by moderate-income consumers had 1 to 4 NSF transactions, and 6.4% had 20 or more NSF transactions. Consumers in upper-income areas had 1 to 4 NSF transactions in 10.5% of accounts and 20 or more NSF transactions in 3.8% of accounts."

Key findings from the survey of 462 FDIC-supervised banks:

➤ **The median overdraft fee, per transaction, was \$27**

"Automated overdraft usage fees assessed by banks ranged from \$10 to \$38, and the median fee assessed was \$27...About one-fourth of the surveyed banks (24.6%) also assessed additional fees on accounts that remained in negative balance status in the form of flat fees or interest charged on a percentage basis."

➤ **Customers were automatically enrolled in overdraft protection programs**

"Most banks (75%) automatically enrolled customers in automated overdraft programs, although customers were usually permitted to affirmatively opt out of the program. Survey comments indicated that in some cases, customers were not given the choice to opt in or out of the automated program."

➤ **Overdraft protection programs are widespread, with most programs starting after 2001**

"The majority (86%) of banks operated at least one formal overdraft program—either automated, linked accounts, or lines of credit (LOC)...The number of FDIC-supervised institutions providing automated programs has grown rapidly over the past several years. Most banks (69.4%) initiated their automated overdraft programs after 2001."

➤ **Banks process large debits first; making overdrafts more frequent**

"A significant share of banks (24.7% of all surveyed banks and 53.7% of large banks) batched processed overdraft transactions by size, from largest to smallest, which can increase the number of overdrafts."

➤ **Banks allow ATMs and debit card overdrafts, but do not alert customers in advance**

"The majority (81%) of banks operating automated programs allowed overdrafts to take place at automated teller machines (ATMs) and point-of-sale (POS)/debit transactions. However, most banks whose automated overdraft programs covered ATM and POS/debit transactions informed customers of an NSF only after the transaction had been completed (88.8% of banks for POS/debit transactions and 70.7% of banks for ATM transactions). A minority of banks (7.9% for POS/debit and 23.5% for ATMs) did inform consumers that funds were insufficient before transactions were completed at these locations, offering the customers an opportunity to cancel the NSF transaction and avoid a fee."

Federal Reserve Bank of New York Staff Report Finds Consumers Fare Worse Under Payday Loan Bans

Preliminary findings from a new staff report, *"Payday Holiday: How Households Fare after Payday Credit Bans,"* by Federal Reserve Bank of New York Research Officer Donald P. Morgan and Cornell University graduate student Michael R. Strain, conclude that payday loan bans result in increased credit problems for consumers.

The report compares households in states with payday loans with households in both Georgia and North Carolina, states which eliminated payday loans in May 2004 and December 2005 respectively. Households in Georgia and North Carolina bounced more checks, complained more to the Federal Trade Commission about lenders and debt collectors, and filed for Chapter 7 ("no asset") bankruptcy at a higher rate. These findings indicate that households without access to payday loans are forced to use costlier credit and suffer greater financial difficulties.

Full report available online at http://www.newyorkfed.org/research/staff_reports/sr309.html.

Noted in the report:

➤ **Consumers suffer greater credit problems under payday loan bans**

"Georgians and North Carolinians do not seem better off since their states outlawed payday credit: they have bounced more checks, complained more about lenders and debt collectors, and have filed for Chapter 7 ("no asset") bankruptcy at a higher rate."

"On average, the Federal Reserve check processing center in Atlanta returned 1.2 million more checks per year after the ban. At \$30 per item, depositors paid an extra \$36 million per year in bounced check fees after the ban."

"Total complaints against lenders and debt collectors [in North Carolina] rose by over a third relative to other states...."

"[Overall,] Chapter 7 filing rates increased... 8.5 percent [under the ban]."

➤ **Payday loan bans force consumers into worse options**

"The contraction in payday credit supply caused former borrowers to bounce more checks, thus aggravating their already marginal circumstances. To stave off bankruptcy, distressed borrowers pawned or sold assets. For those who ultimately succumbed to their financial problems, the loss of assets made chapter 7 [bankruptcy] the natural choice."

"[The] slipping down, with less rescheduling of debts, but more "deadbeats" and "no asset" bankruptcies, seems to fit the picture [of] a marginal payday customer pushed over the edge."

"Banning payday loans did not save Georgian households \$154 million per year, as CRL projected, it cost them millions per year in returned check fees."

"...we take our results as evidence of a slipping down in the lives of would-be payday borrowers."

➤ **Payday loans alleviate financial distress**

"Most of our findings contradict the debt trap hypothesis."

"Our findings show that [payday loans] help to avoid more quotidian disasters, like bouncing a mess of checks, or getting hassled at work by debt collectors."